

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA : **CRIMINAL NO. 21-**
v. : **DATE FILED: April 15, 2021**
MOSHE PORAT : **VIOLATIONS:**
: **18 U.S.C. § 371 (conspiracy- 1 count)**
: **18 U.S.C. § 1343 (wire fraud- 1 count)**
: **Notice of Forfeiture**

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

Temple University and The Richard J. Fox School of Business and Management

At all times relevant to the indictment:

1. Temple University ("Temple") was a public university based in Philadelphia, in the Eastern District of Pennsylvania. The university was comprised of 17 different schools and colleges.
2. The Richard J. Fox School of Business and Management ("Fox") was Temple's business school.
3. Fox offered several programs through which college graduates could earn a master's degree in business administration ("MBA"), including a full-time MBA program, sometimes called a global MBA ("GMBA"), a part-time MBA ("PMBA") program, an executive MBA ("EMBA") program, and an on-line MBA ("OMBA") program. Fox also offered other master's degrees programs and some Ph.D. programs to graduate students in business.

4. Temple undergraduates also could take courses at Fox and potentially earn bachelor's degrees in business administration ("BBA"). Fox offered some undergraduates an opportunity to earn an online BBA ("OBBA").

5. Temple had a university-wide revenue-sharing policy, known as "Responsibility Centered Management," which permitted each school and college, such as Fox, to keep most of its own revenues, while contributing a fraction of those revenues to the university. As part of this policy, Fox kept approximately 87 percent of the revenue generated from its OMBA program, which was known as an "auxiliary program," and contributed the remaining 13 percent to Temple's general revenues.

The Rankings Publications

6. For decades, media companies have published annual rankings of what they claim are the country's best colleges, universities, and graduate schools, such as law schools, medical schools, and business schools (the "Rankings Publications"). Some Rankings Publications also purport to rank specific degree programs, including in the business school context OMBA, PMBA, and EMBA programs.

7. U.S. News and World Report ("U.S. News") is one of the more prominent Rankings Publications. Other Rankings Publications that specifically rank business schools and business degree programs include The Financial Times, The Princeton Review, The Economist, Bloomberg News, Forbes, and Poets & Quants.

8. Each Rankings Publication purports to base its rankings on a combination of objective criteria, such as admissions selectivity, average applicant grade point average ("GPA") and standardized test scores, and post-graduate job placement rates, and subjective factors, such as a particular program's reputation. The Rankings Publications differ from one

another, however, in how much weight they assign to each data point. One factor often considered important by publishers that rank business school and business degree programs is the average work experience of incoming students.

9. How a business school or business degree program is ranked by one of the Rankings Publications can impact the program's reputation among potential applicants, students, employers, and peer institutions, which in turn can impact the business school or degree program's future ranking. A high ranking in a prominent survey can lead to an improved reputation, which can make it easier for a business school's graduates to find employment quickly after graduation, which can lead to an even higher ranking, which starts the cycle again. Higher rankings also can often lead to increases in the number of applicants to a particular program, which can lead to more selectivity in admissions and increases in enrollment and tuition revenues, which can be spent on hiring more faculty and other resources, all of which can contribute to further improvements in future rankings.

Effect of U.S. News Rankings on OMBA and PMBA Enrollment at Fox

10. At Fox, there was a direct correlation between the U.S. News rankings of its OMBA and PMBA programs and the number of students who enrolled in those programs. The higher the programs were ranked, the more students enrolled in the programs the next academic year.

The OMBA Rankings

11. In early 2013, U.S. News published rankings of top OMBA programs. Fox was ranked No. 28. In the next academic year (2013-14), Fox had approximately 70 incoming OMBA students.

12. In early 2014, U.S. News published rankings of top OMBA programs. Fox was ranked No. 9. In the next academic year (2014-15), Fox had approximately 133 incoming OMBA students.

13. In early 2015, U.S. News published rankings of top OMBA programs. Fox was ranked in a three-way tie for No. 1. In the next academic year (2015-16), Fox had approximately 198 incoming OMBA students.

14. In early 2016, U.S. News published rankings of top OMBA programs. Fox was ranked No. 1. In the next academic year (2016-17), Fox had approximately 253 incoming OMBA students.

15. In early 2017, U.S. News published rankings of top OMBA programs. Fox was ranked No. 1. In the next academic year (2017-18), Fox had approximately 336 incoming OMBA students.

16. In January 2018, U.S. News published rankings of top OMBA programs. Fox was initially ranked No. 1. U.S. News announced on January 24, 2018, that it was removing Fox from the rankings. In the next academic year (2018-19), Fox had approximately 144 incoming OMBA students.

17. In January 2019, U.S. News published rankings of top OMBA programs. Fox was unranked. In the next academic year (2019-20), Fox had approximately 106 incoming OMBA students.

18. The tuition for Fox's OMBA program was approximately \$62,208 in 2013-14 and 2014-15. The tuition for subsequent years was approximately \$59,760.

The PMBA Rankings

19. In early 2014, U.S. News published rankings of top PMBA programs. Fox was ranked No. 53. In the next academic year (2015-16), Fox had approximately 88 incoming PMBA students.

20. In early 2015, U.S. News published rankings of top PMBA programs. Fox was ranked 20. In the next academic year (2015-16), Fox had approximately 182 incoming PMBA students.

21. In early 2016, U.S. News published rankings of top PMBA programs. Fox was ranked No. 16. In the next academic year (2016-17), Fox had approximately 166 incoming PMBA students.

22. In early 2017, U.S. News published rankings of top PMBA programs. Fox was ranked No. 7. In the next academic year (2017-18), Fox had approximately 194 incoming PMBA students.

23. In early 2018, U.S. News published rankings of top PMBA programs. Fox was unranked. In the next academic year (2018-19), Fox had approximately 145 incoming PMBA students.

24. In 2019, U.S. News published rankings of top PMBA programs. Fox was unranked. In the next academic year (2019-20), Fox had approximately 117 incoming PMBA students.

25. The tuition for Fox's PMBA program varied over time. In the 2016-17 academic year, the tuition was approximately \$58,755.

The Conspirators

26. Defendant MOSHE PORAT was the Dean of Fox from approximately 1996 until approximately July 2018. Defendant PORAT also was the Dean of Temple's School of Sports, Tourism & Hospitality Management from approximately 1998 until approximately July 2018. PORAT's total annual compensation from Temple was nearly \$600,000 in the 2017-2018 academic year. Since the time PORAT ceased serving as Dean, he has continued to be a tenured professor at Fox, earning approximately \$316,000 a year from Temple, even though he has not taught a class or published any scholarly research since at least 2018.

27. Isaac Gottlieb, charged elsewhere, was a professor at Fox from approximately 2009 until approximately 2018. Gottlieb taught courses in statistics and Excel for business applications. Gottlieb's total annual compensation from Temple was approximately \$176,000 in the 2017-2018 academic year.

28. Marjorie O'Neill, charged elsewhere, was a Fox employee from approximately 2010 until approximately July 2018. O'Neill's job title was "Manager of Finance." O'Neill's total annual compensation from Temple was approximately \$90,000 in the 2017-2018 academic year.

Fox's Ranking Committee and the Strategic Communication Group

29. In the early 2000s, defendant MOSHE PORAT formed a committee of Fox administrators and other officials who convened regularly for the purposes of: (1) gathering data responsive to requests from the Rankings Publications; (2) submitting information to the Rankings Publications; and (3) trying to understand the metrics that each Rankings Publication used to formulate its rankings, so that Fox could take steps that would lead to higher rankings in the future. For many years, this committee was called the Ranking Committee.

30. At some point between 2010 and 2013, defendant MOSHE PORAT changed the name of the Ranking Committee to the Strategic Communication Group (“SCG”) because defendant PORAT thought it did not sound good to have a “Ranking Committee.”

31. Isaac Gottlieb began attending meetings of the Ranking Committee and/or SCG shortly after joining Fox’s faculty in or around 2009. Gottlieb studied the U.S. News rankings and told other Fox employees and administrators that he had used his statistical expertise to conduct regression analyses that revealed how much weight U.S. News assigned to each metric, such as undergraduate GPA, standardized test scores, and peer reviews, in its surveys of the top business schools and business degree programs.

32. In 2010, defendant MOSHE PORAT decided to hire one person to coordinate all of Fox’s submissions to the various Rankings Publications.

33. On or about November 8, 2010, defendant MOSHE PORAT hired Marjorie O’Neill to work at Fox. Although her official job title was Manager of Finance, O’Neill’s primary responsibility was to gather data and submit all of Fox’s survey responses to U.S. News and other Rankings Publications.

The 2013 Trip to U.S. News

34. In the summer of 2013, multiple Fox administrators and employees questioned whether U.S. News had ranked them too low in the category of peer evaluations. On or about July 18, 2013, Marjorie O’Neill and two other Fox employees met with the two U.S. News representatives in Washington, D.C., to express their concerns.

35. They did not succeed in convincing U.S. News to alter its peer evaluation score for Temple. However, during the meeting, the U.S. News representatives stated that U.S.

News did not perform audits of the OMBA data submitted on the surveys because they lacked the resources to do so and instead relied on the schools to accurately report their data.

36. After the meeting, Marjorie O'Neill told other Fox administrators and employees, including defendant MOSHE PORAT and Isaac Gottlieb, that U.S. News did not "have the staff to do audits."

Porat Disbands the Ranking Committee

37. Shortly after hearing about the meeting at U.S. News, defendant MOSHE PORAT disbanded the Ranking Committee/SCG and designated Marjorie O'Neill to be the primary person tasked with submitting all of Fox's data to the various Rankings Publications.

38. Defendant MOSHE PORAT told one of Fox's vice deans that he did not think it was a good idea for a large group of people to have access to the data that Fox was submitting to the Rankings Publications. Defendant PORAT also said that information the committee had discussed regarding what factors carried the most weight in various rankings was highly valuable and proprietary, and he was worried that some committee members might leave Fox and share such information with Fox's competitors. PORAT's decision to disband the committee reduced oversight over Fox's submissions to the Rankings Publications by reducing the number of people reviewing those submissions.

39. For the next several years, Marjorie O'Neill served as Fox's primary liaison with the Rankings Publications. Before submitting information to the Rankings Publications, O'Neill frequently received directions and guidance from defendant MOSHE PORAT and Isaac Gottlieb.

40. Fox had paid U.S. News for a license to access some of the detailed information that all of the business schools had submitted in response to U.S. News's annual

questionnaires. Marjorie O'Neill shared this detailed information with Isaac Gottlieb, who analyzed it to determine how much weight U.S. News had assigned to each factor.

41. Marjorie O'Neill had regular meetings with both Isaac Gottlieb and defendant MOSHE PORAT to discuss her planned submissions of information about Fox's business degree programs to U.S. News.

42. Defendant MOSHE PORAT closely reviewed some of Marjorie O'Neill's draft responses to questions asked by the Rankings Publications before O'Neill finalized the responses and submitted them to the Rankings Publications.

43. From at least July 2014 until at least July 2018, defendant

MOSHE PORAT

conspired and agreed with Isaac Gottlieb and Marjorie O'Neill, each charged elsewhere, and other persons known and unknown to the grand jury, to devise a scheme and artifice to defraud and to obtain money and property from Fox applicants, students, and donors, by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice, to transmit and cause to be transmitted, by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, in violation of Title 18, United States Code, Section 1343.

MANNER AND MEANS

It was part of the conspiracy that:

44. In or about 2014, defendant MOSHE PORAT conspired and agreed with Isaac Gottlieb, Marjorie O'Neill, and other persons known and unknown to the grand jury, to deceive readers of U.S. News by providing false and misleading information to U.S. News about

Fox's OMBA and PMBA programs in order to fraudulently inflate Fox's ranking in the U.S.

News surveys of top OMBA and PMBA programs.

45. The goals of the conspiracy included attracting more students to apply to Fox, matriculate at Fox, and pay tuition to Fox, and enticing Fox alumni and other benefactors to donate money to Fox.

The Conspiracy to Defraud U.S. News about Fox's OMBA Program

46. With regard to the OMBA rankings, defendant MOSHE PORAT and others, including Isaac Gottlieb and Marjorie O'Neill, conspired and agreed to fraudulently represent to U.S. News that 100 percent of Fox's newest OMBA students had taken the Graduate Management Admission Test ("GMAT"), which is the standardized test administered to most prospective business school students.

47. In reality, only a small percentage of Fox's newest OMBA students had taken the GMAT. Fox generally required business school applicants to submit GMAT scores, or, as a possible substitute, scores on the Graduate Record Examination ("GRE"), which is a general standardized test administered to prospective graduate students. Fox, however, also had a policy pursuant to which applicants with at least seven (7) years of work experience could apply for a waiver of the GMAT (or GRE) requirement, and applicants with more than ten (10) years of work experience were automatically granted waivers of the GMAT requirement. Fox OMBA applicants typically had many years of work experience before applying to business school, so the majority of them could obtain GMAT waivers.

48. In the 2012-2013 academic year, Fox admitted 48 new OMBA students, and only 12 of those 48 incoming OMBA students had taken the GMAT. Marjorie O'Neill reported these figures accurately to U.S. News in 2013.

49. Marjorie O'Neill learned that U.S. News had not given Fox full credit for the average GMAT scores of its OMBA entrants because only 25 percent of the OMBA entrants had taken the GMAT, and U.S. News would not give business schools full credit for the average entrant GMAT scores unless at least 75 percent of the entrants had taken the GMAT.

50. In or about July 2014, as she was preparing Fox's response to the U.S. News questionnaire for OMBA programs, Marjorie O'Neill told defendant MOSHE PORAT that only 8 of the 70 OMBA entrants in the 2013-2014 academic year had taken the GMAT. O'Neill told defendant PORAT that if Fox reported those numbers, U.S. News would not fully credit the average GMAT scores of Fox's OMBA entrants. O'Neill told PORAT that if Fox instead reported that all 70 of the OMBA entrants had taken the GMAT, Fox would get 100 percent credit for the average GMAT scores, and it would climb in the U.S. News rankings.

51. Defendant MOSHE PORAT told O'Neill to "report it that way," or words to that effect.

52. Marjorie O'Neill showed Isaac Gottlieb a draft of her planned submission to U.S. News for the OMBA rankings and included a notation, stating: "I changed our response to include 100% entrants providing GMAT and GPA so we receive 100% credit for our GMAT and GPA scores."

53. On or about September 3, 2014, defendant MOSHE PORAT reviewed a draft submission for the U.S. News OMBA questionnaire, prepared by Marjorie O'Neill, which included the false and fraudulent representation that all of the OMBA entrants had reported GMAT scores. O'Neill then sent an email to Isaac Gottlieb to which she attached the draft survey responses and stated that defendant PORAT "asked me to share this with you for your opinion."

54. Later on September 3, 2014, Isaac Gottlieb responded that he had reviewed the draft submission to U.S. News for the OMBA survey “twice” and it looked “very good.”

55. In or around September 2014, Fox submitted a completed questionnaire about its OMBA program to U.S. News, which contained the false and fraudulent representation that all 70 incoming OMBA students in the 2013-2014 academic year had taken the GMAT.

56. In or around January 2015, U.S. News published its rankings of top OMBA programs, and Fox was ranked in a three-way tie for No. 1.

57. Defendant MOSHE PORAT then directed other Fox and Temple employees to tout the No. 1 ranking in marketing materials directed toward people whom defendant PORAT hoped would pay money to Fox in the form of tuition or donations: namely, potential applicants, students, alumni, and other benefactors.

58. In each of the next three years, Marjorie O’Neill repeated the false representations to U.S. News that all of Fox’s OMBA entrants had taken the GMAT.

59. Based in part on these false representations, U.S. News ranked Fox’s OMBA program No. 1 in each of the next three years, from 2016 through 2018.

60. After each new No. 1 ranking, defendant MOSHE PORAT directed other Fox and Temple employees to tout the No. 1 ranking in marketing materials directed toward people whom defendant PORAT hoped would pay money to Fox in the form of tuition or donations: namely, potential applicants, students, alumni, and other benefactors.

61. On or about January 8, 2018, shortly after U.S. News published rankings identifying Fox as the No. 1 OMBA program for the fourth straight year, Poets & Quants

published an online article about the new rankings in which the author noted that Fox had “claimed” that all of its OMBA students had taken the GMAT.

62. In the morning of January 9, 2018, several Fox administrators and officials read the Poets & Quants article and were immediately concerned because they knew that this “claim” had to be false because of Fox’s GMAT waiver policy.

63. At a dean’s meeting that morning, these administrators and officials read the Poets & Quants article aloud to defendant MOSHE PORAT and other top Fox administrators. Every person at the dean’s meeting, other than defendant PORAT, expressed concern that Fox’s No. 1 ranking in the U.S. News survey had been based on an inaccurate submission.

64. Defendant MOSHE PORAT was scheduled to attend a welcome reception for the newest OMBA class immediately after the dean’s meeting, and defendant PORAT was planning to give a champagne toast at the reception and announce the No. 1 ranking. The other Fox deans and administrators urged PORAT not to mention the No. 1 ranking, since it appeared to be based in part on false and inaccurate data. PORAT disregarded their advice, went to the welcome reception, made a champagne toast to the new OMBA students, and announced that Fox had been ranked No. 1 again.

65. A few hours later on January 9, 2018, defendant MOSHE PORAT approved a marketing email for Temple to send to “recruiters,” which boasted that Fox’s OMBA program had been ranked No. 1 in the U.S. News survey for the fourth straight year. Defendant PORAT approved this marketing email even though he had just been told that Fox had submitted false and inaccurate information to U.S. News.

66. At about 6:26 a.m. on January 10, 2018, Marjorie O'Neill sent an email to Isaac Gottlieb, stating that defendant MOSHE PORAT wanted Gottlieb to calculate where Fox would have been ranked by U.S. News if Fox had accurately reported that only 42 of its 255 new OMBA students had reported GMAT scores.

67. Later that morning, several Fox administrators and employees told defendant MOSHE PORAT that Fox should contact U.S. News immediately and correct the misinformation about the number of OMBA students who had reported GMAT scores. Defendant PORAT initially refused, telling one Fox employee, "it's not like U.S. News is a federal agency," or words to that effect, and telling another Fox employee, "I just wish you would all stop being so ridiculous," or words to that effect.

68. Defendant MOSHE PORAT eventually relented and directed Marjorie O'Neill to inform U.S. News that a "clerical error" had been made.

69. On or about January 11, 2018, Marjorie O'Neill called U.S. News and told a U.S. News employee that there had been a "slight discrepancy" between what Fox had reported were the number of OMBA students who took the GMAT and the actual numbers of OMBA students who reported GMAT scores.

70. On or about January 12, 2018, Marjorie O'Neill sent an email to Isaac Gottlieb, stating that defendant MOSHE PORAT asked O'Neill to ask Gottlieb to produce a "sensitivity analysis," which would show where Fox would be ranked based on different percentages of OMBA students who reported GMAT scores.

71. On or about January 13, 2018, Isaac Gottlieb sent an email to defendant MOSHE PORAT and Marjorie O'Neill informing them that Fox would have been ranked No. 6

if it had accurately reported that of the 255 incoming OMBA students, only 42 had reported GMAT scores and only 11 had reported GRE scores.

72. Later on January 13, 2018, defendant MOSHE PORAT falsely told Temple University's president and provost that a "clerical error" had been made, but that Fox had reported it to U.S. News, and he expected Fox would still be ranked No. 1 or potentially No. 2.

73. On or about January 15, 2018, Isaac Gottlieb wrote an email to defendant MOSHE PORAT, stating: "In my humble opinion we should not reach out [to] US News. 1. They have not done anything in the past when they were notified about school collaboration. 2. Furthermore, if they change our rankings they will create the impression that they read the Poets and Quants article."

74. Defendant MOSHE PORAT wrote back to Isaac Gottlieb: "Agree."

75. On or about January 22, 2018, defendant MOSHE PORAT directed other Fox and Temple employees to transmit a marketing email to an email mailing list called the "Porat 100," which included people who were known by defendant PORAT to be donors and potential donors to Fox. The subject line of the email read: "#1 ONLINE MBA," and the email stated: "It may be a new year, but at the Fox School of Business, some things haven't changed. For the fourth straight year, the Fox Online MBA **ranks #1 in the nation** according to U.S. News & World Report, 2018. In the same report, the Fox Online Bachelor of Business **ranks #2 in the nation** for the second year in a row." At the time defendant PORAT authorized the transmission of this email to Fox donors and potential donors, he knew that: (a) the U.S. News rankings had been based, at least in part, on false information; and (b) according to Gottlieb, Fox would have been ranked No. 6 if the correct information had been submitted to U.S. News.

76. In addition to the false representations about the number of OMBA students who had taken the GMAT, Marjorie O'Neill also intentionally provided U.S. News with false and misleading information about: (a) admissions data, to make Fox appear more selective; (b) the mean grade point averages of incoming students; and (c) the average student indebtedness to make Fox appear more affordable. O'Neill made these misrepresentations without the knowledge of defendant MOSHE PORAT or Isaac Gottlieb, but she made them to further the goals of their conspiracy to fraudulently inflate Fox's rankings in the U.S. News survey of top OMBA programs in order to obtain money from Fox applicants, students, and donors through increased tuition revenues and donations to Fox.

The Conspiracy to Defraud U.S. News about Fox's PMBA Program

77. With regard to the PMBA rankings, defendant MOSHE PORAT conspired and agreed with Isaac Gottlieb, Marjorie O'Neill, and other persons known and unknown to the grand jury, to make false representations to U.S. News about the average work experience of incoming PMBA students and the percentage of Fox's MBA students who were part-time MBA students.

78. In or around June 2014, Isaac Gottlieb sent an email to defendant MOSHE PORAT and Marjorie O'Neill, and another person known to the grand jury, in which he stated that he had discovered that two factors appeared to drive the U.S. News rankings of PMBA programs: (1) the number of months of work experience of incoming PMBA students, and (2) the percentage of all MBA students who could be classified as "Part-Time." Gottlieb stated that the larger both numbers were, the higher a PMBA program would be ranked.

79. Over the next several days, Isaac Gottlieb urged Marjorie O'Neill and others to combine Fox's PMBA students with the students in other programs, such as the EMBA

and OMBA programs, when providing information to U.S. News, based on a theory that all of those students could be classified as “part-time.” Gottlieb stated that since OMBA and EMBA students typically had more work experience than PMBA students, combining all three groups when calculating average months of work experience would lead to a higher number than the average months of work experience of PMBA students alone.

80. On or about July 3, 2014, Marjorie O’Neill sent an email to Isaac Gottlieb stating that classifying OMBA students as part-time “might be pushing the ethics here since they are full-time not part-time.”

81. In or about September 2014, Isaac Gottlieb renewed his suggestion that Fox redefine what constituted a “part-time” MBA student for purposes of responding to the U.S. News PMBA questionnaire.

82. In or about November 2014, defendant MOSHE PORAT, Isaac Gottlieb, and Marjorie O’Neill, and other persons known to the grand jury agreed to combine the OMBA, EMBA, and PMBA students, when reporting to U.S. News on the average months of work experience of incoming PMBA students and the percentage of all MBA students who were part-time.

83. In or about December 2014, Marjorie O’Neill submitted Fox’s responses to the U.S. News questionnaire about the PMBA program. The questionnaire itself differentiated between full-time MBA programs, EMBA programs, and PMBA programs. There also had been a separate questionnaire for OMBA students. O’Neill nonetheless combined the number of PMBA, EMBA, and OMBA students when providing U.S. News with information about the average work experience of PMBA students and the percentage of MBA students who were part-

time. O'Neill did not combine the three programs for any other purpose in responding to the questionnaires.

84. The first page of the December 2014 questionnaire stated: "Questions regarding the part-time program should be answered in regards to the part-time evenings and weekends program." Neither the EMBA nor OMBA program met this definition.

85. The first page of the U.S. News questionnaire also stated that if a respondent had any questions, they could contact a U.S. News representative by email or phone for an explanation. None of the defendants ever contacted a U.S. News representative and asked for clarification in defining "part-time" students for purposes of deciding whether to include OMBA and EMBA students in the PMBA submission.

86. In or about December 2014, as a result of the conspiracy to provide false information to U.S. News regarding the definition of "PMBA student," Marjorie O'Neill caused Fox to report that the average months of work experience for the most recent PMBA class was 141, which was nearly double the 74 months of average work experience that Fox had reported in the fall of 2013. O'Neill also falsely reported that 81 percent of all Fox MBA students were PMBA students. Additionally, O'Neill falsely reported that all of the incoming PMBA students had taken the GMAT.

87. In or around March 2015, U.S. News published its PMBA rankings, and Fox had climbed from Number 53 to Number 20.

88. On or about July 14, 2015, Isaac Gottlieb and defendant MOSHE PORAT sent emails to Marjorie O'Neill, asking how things were progressing with her preparation of the next U.S. News PMBA questionnaire. O'Neill responded by providing "work-in-progress

PMBA stats,” which showed, among other things, that the new PMBA students had an average of 82 months of work experience.

89. Isaac Gottlieb sent an email to Marjorie O’Neill, on which he copied defendant MOSHE PORAT and other persons known to the grand jury, stating that he hoped the average months of work experience was not close to 82. Gottlieb wrote that the prior year’s submission reported 141 average months of work experience, “and we have to have a higher value to increase our ranking.”

90. Marjorie O’Neill informed defendant MOSHE PORAT, Isaac Gottlieb, and other persons known to the grand jury, that the 82 months represented the average work experience of only the PMBA students and that she had not yet combined the data for the PMBA, OMBA, and EMBA programs as she had done the previous year.

91. Defendant MOSHE PORAT sent an email to just Marjorie O’Neill stating: “Marjie, Use whatever comes out better, but we must be consistent.”

92. Marjorie O’Neill followed defendant MOSHE PORAT’s directive and used the combination of PMBA, EMBA, and OMBA program data when calculating the average months of work experience and the percentage of Fox MBA students who were part-time, because the results came out better.

93. Consistent with the previously agreed-upon false reporting for OMBA program students, Marjorie O’Neill also falsely reported that all of Fox’s PMBA students had reported GMAT scores.

94. U.S. News relied on the false and misleading information submitted by Marjorie O’Neill, at the direction of defendant MOSHE PORAT and Isaac Gottlieb, and in or about March 2016, U.S. News ranked Fox No. 16 in its PMBA rankings.

95. In 2016, Marjorie O'Neill again combined PMBA, EMBA, and OMBA program data when calculating the average months of work experience and the percentage of Fox MBA students who were part-time. O'Neill also falsely reported that all of Fox's PMBA students had reported GMAT scores.

96. U.S. News relied on the false and misleading information submitted by Marjorie O'Neill, at the direction of defendant MOSHE PORAT and Isaac Gottlieb, and in or about March 2017, U.S. News ranked Fox No. 7 in its PMBA rankings.

Success of the Conspiracy

97. The conspiracy among defendant MOSHE PORAT, Isaac Gottlieb, Marjorie O'Neill, and other persons known and unknown to the grand jury, to deceive readers of U.S. News, including Fox applicants, students, and donors, by providing false and misleading information to U.S. News about Fox's OMBA and PMBA programs, was largely successful,

98. Fox climbed in the U.S. News rankings of top OMBA programs from No. 9 in 2014, to No. 1 in 2015, 2016, 2017, and 2018.

99. Enrollment in Fox's OMBA program correspondingly went from approximately 133 in academic year 2014-15, to approximately 198 in 2015-16, to approximately 253 in 2016-17, to approximately 336 in 2017-18.

100. After the fraud was exposed in 2018, and U.S. News unranked Fox's OMBA program, enrollment fell to approximately 144 in academic year 2018-19.

101. Fox's OMBA program remained unranked in 2019, and enrollment in the OMBA program fell further to approximately 106 in 2019-20.

102. Fox climbed in the U.S. News rankings of top PMBA programs from No. 53 in 2014, to No. 20 in 2015, to No. 16 in 2017, to No. 7 in 2017.

103. Enrollment in Fox's PMBA program correspondingly went from approximately 88 in academic year 2014-15, to approximately 182 in 2015-16, to approximately 166 in 2016-17, to approximately 194 in 2017-18.

104. After Fox withdrew from the U.S. News PMBA rankings in 2018, enrollment in the PMBA program fell to approximately 145 in 2018-19.

105. Fox's PMBA program remained unranked in 2019, and enrollment in the PMBA program fell further to approximately 117 in 2019-20.

106. The average tuition in both the OMBA and PMBA programs at Fox between 2014 and 2018 was slightly less than \$60,000.

107. Defendant MOSHE PORAT earned at least \$2,270,920 in compensation from Temple between the summer of 2014 and the summer of 2018.

The Continued Deception

108. On or about January 24, 2018, U.S. News announced that it would remove Fox from its OMBA rankings because of the false information it had received about the number of Fox OMBA students who had reported GMAT scores.

109. After that announcement, defendant MOSHE PORAT, and other persons known and unknown to the grand jury, continued to make false and misleading statements and engage in deceptive conduct relating to the U.S News rankings of Fox's business degree programs.

110. On January 24, 2018, defendant MOSHE PORAT informed Temple's president and provost about the decision by U.S. News to unrank Fox's OMBA program in an email, in which defendant PORAT falsely stated that a recalculation of the rankings, based on the correct number of GMAT scores reported, "would have resulted in us either remaining #1 or

perhaps slipping to #2.” Before PORAT made this statement, Isaac Gottlieb had told PORAT that Fox would have been ranked No. 6 in the U.S. News survey if it had reported accurate information about the number of OMBA entrants who reported GMAT scores.

111. On or about January 25, 2018, Temple’s president and provost met with defendant MOSHE PORAT and told him that they wanted to hire outside counsel to investigate the scope of the misreporting to U.S. News and to investigate whether it had occurred in prior years. Defendant PORAT told Temple’s president and provost that he did not want an outside investigation. Shortly after the meeting, Temple hired the Jones Day law firm to conduct an investigation of what had happened at Fox.

112. Over the next few days, Fox administrators discovered other inaccuracies in the data that Fox had submitted to U.S. News over the years in connection with the OMBA, PMBA, and GMBA programs. These administrators brought the inaccuracies to defendant MOSHE PORAT’s attention and told him that Fox needed to withdraw from the U.S. News rankings for OMBA and GMBA programs. Defendant PORAT initially refused to do so, but under pressure from others, he informed U.S. News on or about February 1, 2018, that Fox was withdrawing from consideration for the PMBA and GMBA rankings.

113. The Jones Day investigation began on or about February 2, 2018 and included interviews of approximately 17 Fox and Temple employees, including defendant MOSHE PORAT, Isaac Gottlieb, and Marjorie O’Neill. Defendant PORAT, Gottlieb, and O’Neill all gave false and misleading statements to the Jones Day investigators in an attempt to minimize or hide their involvement in their conspiracy and scheme to defraud Fox applicants, students, and donors. PORAT and other persons, known and unknown to the grand jury, also

urged the Jones Day investigators to hurry up and complete their investigation because of the impact the investigation was having on Fox's marketability.

114. During one interview, defendant MOSHE PORAT told the Jones Day investigators that he had instructed Marjorie O'Neill that if she did not know how to interpret a question on a U.S. News questionnaire, she should call U.S. News and ask for clarification, whereas in reality, defendant PORAT often instructed O'Neill to interpret questions in the manner that would lead to the best rankings for Fox.

115. Defendant MOSHE PORAT also urged his personal assistant to download WhatsApp so they could communicate with each other without anybody being able to trace their communications.

116. Isaac Gottlieb, meanwhile, told the Jones Day investigators that he never was involved in reviewing or helping Marjorie O'Neill prepare answers to U.S. News survey questions, even though Gottlieb knew that he had often reviewed O'Neill's planned answers to survey questions and often advised O'Neill how to interpret questions in a manner that would lead to the best rankings for Fox.

117. Isaac Gottlieb also told the Jones Day investigators that he believed Marjorie O'Neill had asked U.S. News whether it was appropriate to combine the PMBA, EMBA, and OMBA programs when calculating the average months of work experience for PMBA students and the percentage of MBA students who were "part-time," and that U.S. News had told O'Neill it was appropriate. Gottlieb knew those statements were false at the time he made them to the Jones Day investigators.

118. Isaac Gottlieb's continued to make false and misleading statements about Fox's submissions to U.S. News long after the Jones Day investigation ended. On or about July

25, 2019, Gottlieb was interviewed by FBI agents, and he told the agents that he did not know Fox had been reporting inaccurate information to U.S. News until after it was discovered in January 2018. Gottlieb also falsely told agents that he did not know what data points on the U.S. News survey were more important than others.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its objects, defendant MOSHE PORAT, and Marjorie O'Neill and Isaac Gottlieb, charged elsewhere, and others known and unknown to the grand jury, committed the following overt acts, among others, in the Eastern District of Pennsylvania and elsewhere.

1. In each year from 2014 through 2017, Marjorie O'Neill, acting at the direction of defendant MOSHE PORAT and Isaac Gottlieb, falsely reported to U.S. News that all of Fox's newest OMBA students had reported GMAT scores.

2. From January 2015 through January 2018, defendant MOSHE PORAT directed other Temple employees to disseminate marketing materials touting Fox's No. 1 ranking in the U.S. News surveys of top OMBA program.

3. In each year from 2014 through 2017, Marjorie O'Neill, acting at the direction of defendant MOSHE PORAT and Isaac Gottlieb, provided false information to U.S. News about the average months of work experience of incoming PMBA students.

4. In each year from 2014 through 2017, Marjorie O'Neill, acting at the direction of defendant MOSHE PORAT and Isaac Gottlieb, provided false information to U.S. News about the percentage of Fox's MBA students who were part-time MBA students.

5. On or about November 1, 2016, Marjorie O'Neill intentionally misled a U.S. News employee who asked how all of Fox's OMBA students could have reported GMAT

scores since Fox had a GMAT waiver policy by giving a non-responsive response that was intended to hide Fox's misrepresentations.

6. On or about January 9, 2018, defendant MOSHE PORAT boasted to new OMBA students attending a champagne toast that Fox's OMBA program had just been ranked No. 1 again by U.S. News, even though defendant PORAT knew that the No. 1 ranking had been based, at least in part, on the submission of false information to U.S. News about the number of OMBA entrants who had reported GMAT scores.

7. On or about January 9, 2018, defendant MOSHE PORAT approved marketing materials boasting of Fox's fourth-straight No. 1 ranking in the U.S. News survey of top OMBA programs, even though defendant PORAT knew that the No. 1 ranking had been based, at least in part, on the submission of false information to U.S. News about the number of OMBA entrants who had reported GMAT scores.

8. On or about January 22, 2018, defendant MOSHE PORAT directed another Temple employee to transmit by interstate wires to the "Porat 100," a mailing list that included longtime donors to Fox, an email boasting of Fox's fourth-straight No. 1 ranking in the U.S. News survey of top OMBA programs; even though defendant PORAT knew that the No. 1 ranking had been based, at least in part, on the submission of false information to U.S. News about the number of OMBA entrants who had reported GMAT scores.

9. On or about February 26, 2018, and May 3, 2018, defendant MOSHE PORAT intentionally provided false information to Jones Day investigators in an attempt to cover up his involvement in a scheme to defraud Fox applicants, students, and donors out of money.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO

THE GRAND JURY FURTHER CHARGES THAT

1. Paragraphs 1-42 of Count One of this Indictment are re-alleged here.
2. From at least July 2010 until at least July 2018, in the Eastern District of Pennsylvania and elsewhere, defendant

MOSHE PORAT

devised and intended to devise a scheme to defraud Fox applicants, students, and donors out of money and property.

MANNER AND MEANS

It was part of the scheme that:

3. Defendant MOSHE PORAT engaged in the manner and means described in paragraphs 44 through 117 of Count One of this Indictment.
4. On or about January 22, 2018, in the Eastern District of Pennsylvania and elsewhere, defendant

MOSHE PORAT

for the purpose of executing the scheme described above, knowingly caused to be transmitted by means of wire communication in interstate commerce an email that read: “#1 ONLINE MBA,” and the email stated: “It may be a new year, but at the Fox School of Business, some things haven’t changed. For the fourth straight year, the Fox Online MBA **ranks #1 in the nation** according to U.S. News & World Report, 2018. In the same report, the Fox Online Bachelor of Business **ranks #2 in the nation** for the second year in a row.”

All in violation of Title 18, United States Code, Section 1343.

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Sections 371 and 1343, set forth in this indictment, defendant

MOSHE PORAT

shall forfeit to the United States of America any property, real or personal, that constitutes or is derived from proceeds traceable to the commission of such violations, and:

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

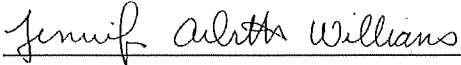
it is the intent of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 981(a)(1)(C).

A TRUE BILL:



GRAND JURY FOREPERSON



JENNIFER ARBITTIER WILLIAMS
Acting United States Attorney

No. _____

UNITED STATES DISTRICT COURT

Eastern District of Pennsylvania

Criminal Division

THE UNITED STATES OF AMERICA

vs.

Moshe Porat

INDICTMENT

Counts

18 U.S.C. § 371 (conspiracy- 1 count), 18 U.S.C. § 1343 (wire fraud- 1 count)
Notice of Forfeiture

A true bill.



Filed in open court this _____ day,
Of _____ A.D. 20 _____

Clerk

Bail, \$ _____